## Message Text

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**ACTION NEA-10** 

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 IO-10 AID-05 COME-00 EB-04 FRB-01

TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-01 SIL-01 STR-01

CEA-01 SCCT-01 /085 W

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P R 111118Z NOV 74 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC PRIORITY 4528 INFO AMCONSUL JERUSALEM AMEMBASSY AMMAN AMEMBASSY BEIRUT AMEMBASSY CAIRO

CONFIDENTIAL TEL AVIV 6454

E.O. 11652: GDS TAGS: PINT, IS

SUBJ: FIRST PUBLIC REACTIONS TO GOI AUSTERITY MEASURE

SUMMARY. WHILE INTERNATIONAL MEDIA HAS FOCUSED ON TEL AVIV RIOTS ON FIRST DAY AFTER ANNOUNCEMENT OF NEW AUSTERITY MEASURES, THIS HAS NOT BEEN TYPICAL ISRAELI REACTION. WE DO NOT ANTICIPATE SERIOUS SOCIAL UNREST LEADING TO VIOLENCE AS ISRAELIS COME TO TERMS WITH GOI'S LATEST BELT-TIGHTENING EFFORTS. END SUMMARY.

1. AS REPORTED IN INTERNATIONAL MEDIA, RIOTING TOOK PLACE IN TEL AVIV'S POVERTY STRICKEN HATIKVA QUARTER EVENING OF NOVEMBER 10 IN PROTEST AGAINST GOVERNMENT'S LATEST AUSTERITY PROGRAM AND PRICE INCREASES. DESPITE EFFORTS OF TEL AVIV MAYOR LAHAT TO CALM SITUATION, SEVERAL HUNDRED PEOPLE ROAMED THROUGH THE AREA, WRECKING TWO BUSES AND SEVERAL CARS, BREAKING STORE WINDOWS, AND ENGAGING IN LIMITED AMOUNT OF LOOTING. CONFIDENTIAL

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- 2. IN COURSE OF RIOT BLACK PANTHER LEADER SHALOM COHEN (WHO COMPETED UNSUCCESSFULLY FOR KNESSET SEAT LAST WINTER)
  AND OTHER BLACK PANTHERS ENTERED FRACAS. BLACK PANTHERS ORGANIZED GROUP WHICH MARCHED TO DOWNTOWN TEL AVIV TO CONTINUE PROTEST.
  UPSHOT OF RIOTING WAS THAT POLICE FINALLY ARRESTED COHEN AND THIRTY OTHERS
- 3. HATIKVA QUARTER RIOTING WAS NOT ONLY REACTION TO AUSTERITY PROGRAM BUT ALSO SPILLOVER FROM RIOTING PREVIOUS EVENING IN REACTION TO CANCELLATION OF LOCAL SOCCER GAME. GIVEN DEPRESSED CONDITIONS OF AREA, HATIKVA RESIDENTS HAVE ESTABLISHED REPUTATION IN ISRAEL AS LOCUS OF VIOLENT PROTESTS IN RECENT YEARS AGAINST FAILURE OF GOVERNMENT TO CLOSE SOCIAL GAP, AND TO PROVIDE ADEQUATE HOUSING, JOBS AND EDUCATION FOR UNDERPRIVILEGED SEGMENTS OF
- 4. IN ADDITION TO ABOVE INCIDENT, 500 WROKERS FROM AMCOR, AMPA AND HA'ARGAZ COMPANIES STAGED PEACEFUL BUT ANGRY PROTEST AGAINST LATEST GOVERNMENT MEASURES IN FRONT OF HISTADRUT TEL AVIV HEADQUARTERS AFTERNOON OF NOVEMBER 10. MOREOVER, ASHDOD AND HAIFA PORT WORKERS HAVE ANNOUNCED ONE HOUR PROTEST STRIKE TODAY.
- 5. ISRAELI PRESS ALSO REPORTS WIDESPREAD CONSUMER RUSH TO STORES NOVEMBER 10 IN LAST-MINUTE ATTEMPT TO BUY OLD STOCKS BEFORE PRICE INCREASES WENT INTO EFFECT. SUPERMARKETS AND ELECTRICAL APPLIANCE STORES WERE PARTICULARLY BESEIGED.
- 6. COMMENT: HATIKVA QUARTER RIOTING IS NOT SURPRISING GIVEN
  HISTORY OF AREA. IT IS HOWEVER NOT CHARACTERISTIC. ISRAELIS HAD BEEN
  EXPECTING DEVALUATON AND OTHER PAINFUL MOVES FOR SOME TIME. WHILE
  THERE DOUBTLESS ARE CONFLICTING JUDGMENTS RE EFFICACY AND TIMING OF
  GOVERNMENT'S STEPS, WHICH CAN BE EXPECTED TO PRODUCE VIGOROUS AND
  EVEN HEATED DEBATE, WE DO NOT REPEAT NOT ANTICIPATE THAT THERE WILL
  BE SERIOUS SOCIAL UNREST LEADING TO FURTHER VIOLENCE IN WEEKS
  AHEAD. MANY ISRAELIS INDEED ARE WILLING TO GO ALONG WITH
  GOVERNMENT'S BELT-TIGHTENING PROGRAM PROVIDED THAT THEY ARE CONVINCED THAT IT IS BEING IMPLEMENTED IN HONEST AND FAIR MANNER. REACTION

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POPULATION.

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OF HISTADRUT WILL HAVE MAJOR BEARING ON SUCCESSFUL IMPLEMENTATION AND DEGREE OF PUBLIC ACCEPTANCE OF AUSTERITY MEASURE. INTIAL REACTIONS TO PRIMIN'S SPEECH (SEPTEL) HAVE BEEN POSITIVE, WITH RABIN SEEN AS CARRYING OUT IMPORTANT LEADERSHIP ROLE IN EXPLAINING NECESSITY OF AUSTERITY MOVES TO PUBLIC. KEATING

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Subject: FIRST PUBLIC REACTIONS TO GOI AUSTERITY MEASURE SUMMARY. WHILE INTERNATIONAL MEDIA HAS FOCUSED ON TEL

TAGS: PINT, IS To: STATE

Type: TE

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